

FAMILY VOICES OF LOUISIANA, INC.

Independent Auditor's Report and Financial Statements
For the Year Ended December 31, 2004

Deemer CPA and Consulting Services, LLC

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

Family Voices of Louisiana, Inc.
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Independent Auditor's Report

**To the Board of Directors
Family Voices of Louisiana, Inc.:**

I have audited the accompanying statement of financial position of Family Voices of Louisiana, Inc. (a nonprofit organization) as of December 31, 2004, and the related *statement of activities and cash flows for the year then ended*. These financial statements are the responsibility of Family Voices of Louisiana, Inc. management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Voices of Louisiana, Inc. as of December 31, 2004, and the changes in net assets, and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 28, 2005 on my consideration of Family Voices of Louisiana, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contract, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements of Family Voices of Louisiana, Inc. taken as a whole. The schedule of functional expenses is presented on page 9 for purposes of additional analysis and is not a required part of the financial statements of the organization. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Deemer CPA and Consulting Services, LLC

New Orleans, Louisiana

June 28, 2005

**Family Voices of Louisiana, Inc.
Statement of Financial Position
As of December 31, 2004**

Assets

Grant Receivable	\$	23,650
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Fixed Assets

Equipment		29,005
Accumulated Depreciation		<u>(13,796)</u>

Total Fixed Assets (Net)		15,209
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Total Assets	\$	<u>38,859</u>
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Liabilities and Net Assets

Accounts Payable	\$	7,070
Bank Overdraft		16,512
Due To Officers		<u>48,321</u>

Total Liabilities		71,903
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Net Assets

Unrestricted		<u>(33,044)</u>
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Total Net Assets		<u>(33,044)</u>
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Total Liabilities and Net Assets	\$	<u>38,859</u>
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The accompanying notes are an integral part of these financial statements.

Family Voices of Louisiana, Inc.
Statement of Activities
For the Year Ended December 31, 2004

	<u>Unrestricted</u>
Revenues	
Grant revenue	\$ 413,431
Total revenues	413,431
Expenses	
Program Services	\$ 402,486
Support Services	<u>46,233</u>
Total Expenses	<u>448,719</u>
Change In Net Assets	\$ (35,288)
Net Assets At Beginning Of Year	<u>2,244</u>
Net Assets At End Of Year	<u><u>\$ (33,044)</u></u>

The accompanying notes are an integral part of these financial statements.

Family Voices of Louisiana, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2004

Cash Flows From Operating Activities:

Changes in Net Assets	\$ (35,288)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	9,668
Changes in Operating Assets and Liabilities	
Grant Receivable	46,940
Accounts Payable	(9,454)
Bank Overdraft	(18,629)
Due to Officers	<u>23,379</u>
Net Cash Provided by Operating Activities	16,616

Cash Flows From Investing Activities:

Purchase of Equipment	2,013
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Cash Flows From Financing Activities:

Net Cash Provided by Financing Activities	0
Net Cash Decrease for Period	18,629
Cash, At Beginning of Period January 1, 2004	<u>(35,141)</u>
Cash, At End of Period December 31, 2004	<u><u>\$ (16,512)</u></u>

The accompanying notes are an integral part of these financial statements.

Family Voices of Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2004

1. Summary of Significant Accounting Principles

General - Family Voices of Louisiana, Inc. is chartered in the State of Louisiana as a non-profit agency. It is an affiliate of a national grassroots organization known as Family Voices. Family Voices of Louisiana, Inc. has a mission to "advocate for health care services that are family centered, community-based, comprehensive, coordinated and culturally competent for all children and youth with special health care needs...."

Basis of Accounting - Family Voices of Louisiana, Inc.'s financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

Property and Equipment - Improvements which significantly extend the useful life of an asset and purchases of equipment are capitalized. The straight line method of depreciation is used for the assets owned by Family Voices of Louisiana, Inc.

Income Taxes - Family Voices of Louisiana Inc. received an advance ruling of tax exempt status under Section 501(c)(3) from the Internal Revenue Service. The advance ruling ended December 31, 2003 and the agency awaits the final determination.

Cash - Cash is comprised of cash on hand and in banks.

Functional Expenses - The costs associated with providing the various programs and other activities in the statement of activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services receiving the benefit.

Use of Estimates - The management of Family Voices of Louisiana, Inc. has made estimates and assumptions relating to the reporting of assets and liabilities to prepare the financial statements in conformity with generally accepted accounting principles. The actual results could differ from those estimates.

Family Voices of Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2004

2. Net Assets

A description of the three types of Net Assets categories is described below:

Unrestricted net assets – Net assets comprised of funds without donor-imposed restrictions. The revenues received by Family Voices of Louisiana, Inc. and expenses incurred are included in this category.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of Family Voices of Louisiana, inc. and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that do not expire by the passage of time nor can be fulfilled by the actions of Family Voices of Louisiana.

3. Property and Equipment

Property and Equipment consisted of the following at December 31, 2004:

Equipment	\$29,005
Less: Accumulated Depreciation	<u>(13,796)</u>
Total Property and Equipment	<u>\$15,209</u>

Current year depreciation expense was recorded at \$ 9,668.

4. Grants Receivable

As of December 31, 2004 grants receivable consists of the following outstanding payments from the State of Louisiana:

Child Health Injury – Region I	\$ 14,232
Medical Home Collaborative	7,247
Early Hearing Detection	<u>2,171</u>
Total Grants Receivable	\$ <u>23,650</u>

Family Voices of Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2004

5. Economic Dependency

Family Voices of Louisiana, Inc. receives its funding primarily from State of Louisiana contracts. The continuance of this program is dependent upon the agency's ability to gain renewal of contracts and grants as well as to obtain new funding.

SUPPLEMENTAL INFORMATION

**Family Voices of Louisiana, Inc.
Schedule of Functional Expenses
For the Year Ended December 31, 2004**

	Program Services	Support Services	Total
Payroll Expenses	\$ 257,488	\$ -	\$ 257,488
Fringe Benefits	35,886	-	35,886
Telephone/Internet	20,721	-	20,721
Supplies	69,371	-	69,371
Insurance	-	-	0
Travel	14,251	-	14,251
Depreciation	-	9,668	9,668
Rent Expense	-	36,560	36,560
Printing	4,769	-	4,769
Miscellaneous	<u>0</u>	<u>5</u>	<u>5</u>
Total Expenses	<u>\$ 402,486</u>	<u>\$ 46,233</u>	<u>\$ 448,719</u>

See Independent Auditor's Report.

**Independent Auditor's Report on Compliance and on Internal
Control Over Financial Reporting Based on an Audit of
Financial Statements Performed in
Accordance with Government Auditing Standards**

**To the Board of Directors
Family Voices of Louisiana, Inc.**

I have audited the financial statements of Family Voices of Louisiana, Inc. as of December 31, 2004, and for the year then ended, and have issued my report thereon dated June 28, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Family Voices of Louisiana, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.


Internal Control Over Financial Reporting

In planning and performing my audit, I considered Family Voices of Louisiana, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course

of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

I noted certain matters that I have reported to the management of the Family Voices of Louisiana, Inc. in a separate letter dated June 28, 2005.

This report is intended solely for the information and use of management, others within Family Voices of Louisiana, Inc., grant awarding agencies, and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


New Orleans, Louisiana
June 28, 2005

Family Voices of Louisiana, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2004

There are no current year findings or questioned costs.

Family Voices of Louisiana, Inc.
Status of Prior Year Findings
For the Year Ended December 31, 2004

	Resolved	Unresolved
03.1 Fixed Assets Schedule Not Maintained	X	
03.2 Delinquent Audit Report Submission	X	

June 28, 2005

To the Senior Management and
The Board of Directors of the
Family Voices of Louisiana, Inc.

In planning and performing my audit of the financial statements of Family Voices of Louisiana, Inc. for the year ended December 31, 2004, I considered the Organization's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during my audit, I became aware of a certain matter that is an opportunity for strengthening internal controls and operating efficiency.

I will review the status of this comment during my next audit engagement.

Organizational Structure

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

I wish to thank the Executive Director and her office staff for their support and assistance during my audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.


Deemer CPA and Consulting Services, LLC
New Orleans, Louisiana